

Board of Directors

Brian Frutchey
Chair
Down East Community Hospital

Monique Claverie
Vice Chair
UMP Pulp of North America

Nicholas MacDonald
Treasurer
Town of Machias

Charlie McAlpin
Secretary
Eastern Maine Electric Cooperative

April Norton
Wyman's

Ardis Brown
Town of Danforth

Dee Sabattus
United South and Eastern Tribes

James Stauffer
R.H. Foster

Krystal Currier
Machias Savings Bank

Megan Walsh
University of Maine at Machias

Steve Lail
Downeast Community Hospital

Susan Mingo
Washington County Community College

Tom Sorby
Kingfish Maine

Ex-Officio

Vice Chief Joseph Socobasin
Passamaquoddy Tribe at Motahkomikuk

Renee Gray
Washington County Government

Representative Tiffany Strout
Washington County Legislative Delegation

January 29, 2026

Honorable Janet T. Mills
Governor
1 State House Station
Augusta, ME 04333-0001

Ms. Susanne Gresser
Executive Director of the Maine Legislature
115 State House Station
Augusta, Maine 04333-0115

Honorable Chip Curry
Honorable Traci Gere
Joint Committee on Housing and Economic Development
c/o Legislative Information Office
100 State House Station
Augusta, ME 04333-0100

Dear Governor Mills, Ms. Gresser, Senator Curry and Representative Gere:

Pursuant to MRSA Title 5, Chapter 383, Article 2-A, Section 13083-F, the Sunrise County Economic Council (SCEC) is pleased to submit the 2024-2025 Annual Report to the Legislature on behalf of the Washington County Development Authority (WCDA).

SCEC is a nonprofit organization that works to create jobs and prosperity in Washington County; we are also the economic development arm of Washington County government. We provide staff support for the WCDA and are partnering with the Authority in its effort to redevelop the former U.S. Navy Base in Cutler.

Please contact me with any questions or concerns. Thank you.

Sincerely,



Charles J. Rudelitch, Esq.
Executive Director

Enclosure: 2024-2025 WCDA Annual Report & Financial Statement



Washington County Development Authority

ANNUAL REPORT October 1, 2024 - September 30, 2025

Introduction

Pursuant to the provisions of Title 5 of Maine Revised Statutes Annotated, Chapter 383, Subchapter 3, Article 2-A, the Washington County Development Authority is required to submit an annual report to the Governor, the Executive Director of the Legislative Council, and the joint standing committee of the Legislature having jurisdiction over business and economic development matters. The report must be submitted no later than 120 days after the close of the authority's fiscal year. The Authority's fiscal year ended on September 30, 2024.

Section 13083-F of 5 MRSA requires that the annual report of the Authority include:

- A. A description of the authority's operations and activities.
- B. An accounting of the authority's receipts and expenditures and assets and liabilities at the end of its fiscal year;
- C. A listing of all property transactions pursuant to section 13083-D.
- D. A statement of the authority's proposed and projected activities for the ensuing year; and
- E. Recommendations regarding further actions that may be suitable for achieving the purposes of this article.

History of the Authority

The Washington County Development Authority was established by the Second Regular Session of the 120th Maine Legislature as Chapter 568 of the Laws of Maine 2001. The Authority was established in response to the need to create a state entity that could take title to the former Naval Computer and Telecommunications Station in Cutler, Maine from the United States Navy. Since that time, the legislation was amended to broaden the scope of the authority's mission to allow the authority to provide financial and technical assistance to any governmental entity and nonprofit located within Washington County in support of community and economic development projects. Representation was expanded to include all municipalities in Washington County, including the unorganized territories.

For the reporting period, the Authority was comprised of the following members: Elizabeth "Betsy" Fitzgerald (Machiasport), Renee Gray (Addison), Ron McAlpine (Crawford), Lewis Pinkham (Milbridge), Heron Weston (Eastport) and Lani Reynolds (Northfield). The DECD Appointee seat is currently vacant. Ron McAlpin has resigned his position.

For this time period, the following officers were elected: Renee Gray (Chair), Lewis Pinkham (Vice Chair). The WCDA set monthly meetings on the third Monday of every month at 1:00 pm. During this period, all meetings were held virtually using the Zoom platform.

The Authority can have up to 13 voting members. At this point, there are 5 Trustees. The Authority would like to increase board membership and will work with Sunrise County Economic Council to provide a list of potential Trustees to the Governor.

Operations and Activities

The WCDA Trustees scheduled eleven (11) regular meetings from October 2024 to September 2025, all of which meet with numbers to reach a quorum. Also, five (5) additional Special Board meetings with one (1) not meeting quorum.

Representatives from the US Environmental Protection Agency (EPA), the Maine Department of Environmental Protection, and WCDA's Brownfields consultants also regularly attended WCDA Trustee meetings.

Major items of discussion during the reporting period included the following subjects:

The Washington County Development Authority continues to contract with Sunrise County Economic Council to provide administrative and bookkeeping services.

The EPA granted the WCDA's request to extend the term of the EPA Brownfields Cleanup Grant. The Authority continues to work with the Sevey & Maher Engineers to mitigate the identified hazardous substances in the former Recreation Building. Substantial progress has been made by Sevey & Maher on the contracted work.

After meetings with US Navy and the representatives of the EPA and Maine DEP, the WCDA was unable to secure additional funding from the Navy to fund for the clean-up of the Administration building.

The Sunrise County Economic Council's Brownfields program paid for a Phase I and Phase II Assessment of the former Administrative Building, which was done by TRC. The EPA has agreed to provide a structural assessment of the Administrative Building although it may be some time until funding is available to conduct the assessment. The WCDA has worked with TRC to better secure the Administrative Building by sealing open exterior openings the building.

New doors were installed on the Warehouse and the Chapel by Machias Glass.

The Authority also put bids out for general repairs this year and the following work has been completed on the Recreation building: roof repairs, replacing broken windows and door, removing overgrown vegetation, general debris removal inside the building and secured the building from any leaking.

In April 2025, the Authority leased over 14 acres of land and four buildings comprising just under 55,000 square feet to Dana Morton; this includes three buildings that are currently occupied as well as the former Recreation Building. The lease term is five years and includes an option to purchase the property. Mr. Morton is managing the properties.

The former Administration Building is not part of the lease, and the Authority is working to mitigate the hazardous materials there before transferring the property.

Receipts and Expenditures

See attached Financial Statement

Property Transactions

The WCDA did not sell or buy real estate this year. The WCDA leased over 14 acres of land and four buildings comprising just under 55,000 square feet to Dana Morton, a developer and commercial property manager; the lease includes an option to purchase the property and buildings.

Proposed and Projected Activities

Sunrise County Economic Council and Washington County Government have provided what staff support they can, but the Authority's Trustees are handling much of the day-to-day management of the Authority and its property as volunteers.

The Authority plans to complete the mitigation work at the Recreational Building and to work to raise the funds necessary to mitigate the hazardous materials in the Administration Building.

The Authority's goal is to transfer the former Cutler Navy Base property to a private developer who can make the investments necessary to realize to property's potential benefit to the Washington County economy.

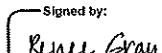
Recommendations

1. The Authority respectfully requests that Governor appoint additional Trustees to the Washington County Development Authority's Board.
2. The Authority respectfully requests that Commissioner of the Department of Economic and Community Development appoints a representative to the Washington County Development Authority's Board.

Attachments:

Financial reports: WCDA Annual Income Statement

Respectfully Submitted,

Signed by:

Renée Gray, WCDA Chair

Washington County Development Authority
 Balance Sheet - Unposted Transactions Included In Report
 As of 9/30/2025

| <u>Current Year</u> | |
|--|--------------------------|
| Assets | |
| Current Assets | |
| Cash & Cash Equivalents | |
| Checking Account | <u>152,959.18</u> |
| Total Cash & Cash Equivalents | <u>152,959.18</u> |
| Total Current Assets | <u>152,959.18</u> |
| Long-term Assets | |
| Property & Equipment | <u>84,575.11</u> |
| Total Property & Equipment | <u>84,575.11</u> |
| Total Long-term Assets | <u>84,575.11</u> |
| Total Assets | <u>237,534.29</u> |
| Liabilities | |
| Short-term Liabilities | |
| Accounts Payable | |
| Accounts Payable | <u>15,481.31</u> |
| Total Accounts Payable | <u>15,481.31</u> |
| Total Short-term Liabilities | <u>15,481.31</u> |
| Total Liabilities | <u>15,481.31</u> |
| Net Assets | |
| Beginning Net Assets | |
| Net Assets | <u>188,279.76</u> |
| Current YTD Net Income | |
| 33,773.22 | <u>33,773.22</u> |
| Total Current YTD Net Income | <u>33,773.22</u> |
| Total Net Assets | <u>222,052.98</u> |
| Total Liabilities and Net Assets | <u>237,534.29</u> |

Washington County Development Authority
Statement of Revenues and Expenditures - Detail - Unposted Transactions Included In Report
From 10/1/2024 Through 9/30/2025

| | <u>Current Period</u> <u>Actual</u> |
|-------------------------------------|--|
| Operating Revenue | |
| Grant Revenue | 18,059.72 |
| Investment Income | 7,014.86 |
| Other Income | <u>36,450.00</u> |
| Total Operating Revenue | <u>61,524.58</u> |
| Total Revenue | <u>61,524.58</u> |
| Expenditures | |
| Program Expenses | 94,748.16 |
| Professional Fees | 6,658.27 |
| Occupancy | 6,235.35 |
| Maintenance & Repairs | 42,421.62 |
| Conferences, Conventions & Meetings | 222.09 |
| Dues & Subscriptions | 16.95 |
| Depreciation | 4,175.00 |
| Miscellaneous | <u>1,635.15</u> |
| Total Expenditures | <u>156,112.59</u> |
| Net Revenue Over Expenditures | <u>(94,588.01)</u> |